

***The Best of Times, the
Worst of Times: where next
for policy and practice?***

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Background

1. Global financial crisis (not going away anytime soon?)
2. High and rising unemployment (not falling much anytime soon?)
3. The vision of the Knowledge Driven economy has faltered. Bad jobs are not set to 'fade away'
4. Jobs quality becomes a luxury – any job is a good job.
5. Massive (possibly deranged) policy expectations around work opportunities for the young unemployed, long-term adult unemployed, disabled and economically inactive as THE answer to huge social and economic problems.

Background 2

- Positional competition for good jobs is rising
- Real wages for many are falling (by 2015 we might have real earnings that are where they were in 2001)
- Pressures in the economy around service cost (in an era of falling real wages) mean that more jobs may become 'bad'.

Background 3

Problems with:

1. Income inequality
2. Social mobility
3. Poor skills utilisation

Are all set to worsen

What to make of this?

The situation just outlined can be read as meaning:

1. This is the worst of all possible times to be trying to do anything about bad jobs/job quality
2. This is a good time to recognise and address the issue.

You couldn't have picked a worse time.....

Employment creation is key. Job quality is a second order issue.

Low pay and work stress are just about on the policy radar, but wider aspects of job quality are more or less wholly absent

Public policy and public agencies have next to no recent experience of trying to alter job quality. Intervention inside the 'black box' is difficult and ideologically off-limits ("we can't be seen to be telling employers what to do")

Any willing provider will mean more public sector jobs going private, with the attendant consequences for terms and conditions.

And.....

- Over-qualification and an ongoing top-down cascade of graduates will mean that progression from the bottom up will be very hard to contrive.
- Migrant labour is another pressure that won't go away. Last year, non-British workers took up 2/3rds of the jobs (160,000) that accounted for the increase in employment in the UK. 140,000 were from within the EU.

And.....

- Lack of a Labour Ministry/Department or labour inspectorate – who owns the problem?
- A flexible labour market is essential – see DBIS's 'bonfire of red tape'. Regulation (and trade unions) inhibit job growth.

Flex is best!

Debate about the labour market in the UK gets the 'flexi' but the 'security' bit of the N. European flexicurity model.

“The UK employment model is a world-class operation, and has been responsible for the longest uninterrupted economic growth on record. The nature of economies are cyclical, but it is the flexibility of the employment market that has driven UK plc success”

(Recruitment and Employment Confederation, 2010: 33)

The worker as flexible ‘friend’...

CBI (2011) *Thinking Positively – the 21st century employment relationship*:

“The change in the relationship between employers and employees over the last two decades in the private sector has already been substantial, and is now manifested in a more flexible individual package of work and reward that works well for both parties... Employment legislation should not be based on the assumption that employers and employees are opposing forces. For the most part, we have moved beyond confrontation and the need to “protect” employees from work. Work should be – and is – a positive experience for the vast majority of employees, the vast majority of the time... We don’t need the state telling us how to manage basic human relations”

And anyway....

“we can be fairly confident that the majority of the workforce will start to identify themselves more as independent contractors. Some organisations will cease to think of themselves as employers and view themselves instead as branded project leaders, assembling teams with relevant skills as needed”

REC, 2010: 27.

From paternal unitarist to techno unitarist in 30 years

In summary then...

1. Jobs not job quality is the priority
2. We don't see the 'bad jobs' problem
3. We don't know how to tackle it if we did
4. Flexible labour markets are vital
5. There isn't really a problem anyway
6. We're all going to be self-employed

Now is quite a good time to do something about bad jobs

- Wealth and wage inequality is now glaringly obvious and being talked about. Low pay is one problem, but is made far worse/more visible by top pay – (in 2000 a FTSE Top 100 CEO earned x47 the median wage, by 2009 this had risen to x88 times) – *“a personal wealth boom not seen since the end of the C19”* – Lansley, 2009.
- Even those on the Right are starting to sound nervous – e.g. Charles Moore’s ‘I’m starting to think that the Left might actually be right’, *The Telegraph*, 22 July 2011

The profile of the issue has not been this high for 30 years

In part, because it has become increasingly obvious that, left to its own devices, the labour market (as currently constructed) can only deliver **greater** inequality, **more** in-work poverty, and huge wins for a tiny minority and big losses (falling real wages) for the bulk of the population.

Bad Jobs – grassroots activity

- Living wage campaigns
- Islington Council's Fairness Commission (see *Society Guardian*, 8 June 2011: 3), now being copied by York and Liverpool
- Ippr campaigns
- Work Foundation's Bottom 10 Million project
- Resolution Foundation

Some structural issues to think about

- Institutions and wage setting
- Progression opportunities
- Trade unions and collectivism
- Conceptions of low end jobs and the skills needed to do them

Institutions and wage setting

Evidence (Osterman, Russell Sage Projects) suggests that wage setting institutions matter a great deal.

We have the Low Pay Commission. If we moved to a Living Wage, we could have a LWC. A proper wage floor might reduce the impact of migrant labour.

Public sector contracts and procurement? Islington's Fair Islington kitemark (living wage + no more than 20:1 top/bottom wage ration).

How do we design, engineer and deliver institutions that can deliver social and economic solidarity and fairness?

Progression opportunities

- Internal Labour Markets are not dead, though they may be thinner and weaker than they used to be. How can we chart occupational pathways out of bad jobs into better jobs? Lloyd & Payne on café workers.
- Pathways thinking in USA, NZ for vocational E&T.

Trade unions and collectivism

- Unions are generally on the back foot at present.
- Some are trying to do more and better about bad jobs.
- What more can they do, and how best can they do it?

Conceptions of low end occupations and vocational skill

As the Wolf Review demonstrated, about one third of youngsters aged 16-19 are studying for vocational qualifications (VQ) that are more or less worthless in the labour market? VQ reform is mooted, but given the skill needs and wage and progression structures that exist, is it possible to design a VQ that shows a real wage return – and if not, what does this tell us about skill needs and job design in low end work?

The foreigners do it different...

Edouard Herriot, Minister of Education,
France, 1920:

“By Law, the worker is also a citizen and an individual. As such, he is not a means but an end; he must have the ability, not only to produce, but also to think; he is entitled to the culture which makes one an individual, that is to say, a free being”

Final thought:

The moment for some hard policy choices has arrived. Without intervention, the problem and its consequences will get worse. The cost of the status quo is becoming more obvious over time.

There is potentially huge political capital to be gained by appealing to broad mass of the populace on this issue – 2 out of 3 of Ed Miliband's 'great challenges' – the squeezed middle and the British promise (see speech by John Denham, 26 May 2011 to ippr North). .